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C O N F I D E N T I A L ANKARA 004291

SIPDIS

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TAGS: [MASS](#) [PREL](#) [PGOV](#) [TU](#)

SUBJECT: TURKS PREPARING NEW ATTACK HELICOPTER TENDER

REF: ANKARA 2791

(U) Classified by CDA Robert S. Deutsch. Reasons: 1.4 (b) and (d).

1. (U) Defense industry and journalist sources expect SSM to issue a new RFP for attack helicopters this week. The previous tender was canceled last May after a seven-year process in which Bell Helicopter's Cobra was selected as the preferred aircraft (reftel). Under the procurement model at that time, TAI would have been the prime contractor and the site of much of the modification work done to conform to the unique requirements of Turkish Land Forces. Most sources expect that this time around, SSM will desire bids that account for a domestically developed "mission computer." (Note: A source at Bell believes this to be in reality the fire control computer.) Such a requirement would be unprecedented. Moreover, considerable software source codes would be required to be released in order to develop a mission computer that could interface with other systems on the aircraft. Most American companies believe this requirement will knock them out of the competition because the USG will not authorize the release of all the code the Turks will demand. (Note: The same should be true for foreign-made aircraft with sensitive American components.)

2. (C) On July 29, polmilcouns called on SSM DU/S Faruk Ozlu and raised the helicopter tender. Ozlu said that the media has it wrong. The first ten helicopters to be procured will be "off-the-shelf with work-share." Thus, some amount of the work in producing the first ten would be required to take place in Turkey. The GOT would then have options for packages of "customized models" for which the contractor would be required to provide "technical assistance to Turkish industry to be able to do the customization." The amount of technical assistance offered would be evaluated and considered in awarding the contract. Thus, he argued, there was no absolute disclosure requirement, but each country would be expected to put forward a proposal based on what its government would authorize for release. He therefore expected American companies would compete, as they had before.

3. (C) Comment: Both Bell and Boeing have told us that they will pay the required fee to receive a copy of the RFP, although both were pessimistic about their ability to compete given what they understood would be the source code release requirements. If the RFP is as Ozlu described, these companies might decide to compete again for the contract. However, the political environment now (with EU accession decision upcoming and the EU declaring the PKK/Kongra Gel a terrorist organization) will be more favorable to Europeans than in 1997 when the Turks began their recently aborted effort to procure attack helicopters, and greater flexibility on technology transfer may also play in the Europeans' favor. Nonetheless, sources within the Turkish military continue to express preference for American aircraft. Unfortunately, the Land Forces Command did not play a very active role in the previous, seven-year procurement effort. We can only hope with new leadership (TLFC Commander Gen Yalman's replacement should be announced this week) will play a more assertive role in what all sources confirm is the top procurement priority for the Turkish armed forces. End comment.

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